

CHAPTER 3

GOVERNMENT - STATE

HOUSE BILL 99-1080

BY REPRESENTATIVE Smith;
also SENATOR Epps.

AN ACT

CONCERNING THE APPLICATION OF SECTION 415 OF THE FEDERAL "INTERNAL REVENUE CODE OF 1986", AS AMENDED, TO THE PUBLIC EMPLOYEES' RETIREMENT ASSOCIATION, AND, IN CONNECTION THEREWITH, MODIFYING THE PROVISIONS GOVERNING THE PURCHASE OF SERVICE CREDIT TO CONFORM TO FEDERAL LAW.

Be it enacted by the General Assembly of the State of Colorado:

SECTION 1. 24-51-505 (1) (a) and (2), Colorado Revised Statutes, are amended to read:

24-51-505. Purchase of service credit relating to noncovered employment.

(1) Service credit may be purchased for any period of previous employment with any public or private employer in the United States or its territories, subject to the following conditions:

(a) If the service credit to be purchased is for noncovered employment with an employer affiliated with the association, ~~or for previous employment with a nonaffiliated employer~~, the member must have one year of earned service credit with the association at the time of the purchase. ~~IF THE SERVICE CREDIT TO BE PURCHASED IS FOR PREVIOUS EMPLOYMENT WITH A NONAFFILIATED EMPLOYER, THE MEMBER MUST HAVE ONE YEAR OF EARNED SERVICE CREDIT WITH THE ASSOCIATION AT THE TIME OF THE PURCHASE; EXCEPT THAT, IF THE PREVIOUS EMPLOYMENT FOR WHICH THE SERVICE CREDIT IS TO BE PURCHASED IS NONQUALIFIED SERVICE, AS DEFINED IN SECTION 415 (n) (3) (C) OF THE FEDERAL "INTERNAL REVENUE CODE OF 1986", AS AMENDED, AND THE MEMBER FIRST BECAME A MEMBER OF THE ASSOCIATION ON OR AFTER JANUARY 1, 1999, THE MEMBER MUST HAVE FIVE YEARS OF EARNED SERVICE CREDIT WITH THE ASSOCIATION AT THE TIME OF THE PURCHASE.~~

(2) (a) EXCEPT AS OTHERWISE PROVIDED IN PARAGRAPH (b) OF THIS SUBSECTION

Capital letters indicate new material added to existing statutes; dashes through words indicate deletions from existing statutes and such material not part of act.

(2), one year of service credit may be purchased for each year of noncovered employment determined pursuant to the provisions of section 24-51-501 (2) to (4) applicable to earned service credit.

(b) MEMBERS WHO FIRST BECAME MEMBERS ON OR AFTER JANUARY 1, 1999, MAY PURCHASE NO MORE THAN FIVE YEARS OF SERVICE CREDIT FOR NONCOVERED EMPLOYMENT THAT IS NONQUALIFIED SERVICE, AS DEFINED IN SECTION 415 (n) (3) (C) OF THE FEDERAL "INTERNAL REVENUE CODE OF 1986", AS AMENDED.

SECTION 2. 24-51-611, Colorado Revised Statutes, is amended to read:

24-51-611. Maximum limit under federal law. Notwithstanding any other provision of this article, no benefit paid to any benefit recipient shall exceed the maximum permitted for qualified retirement plans pursuant to section 401 (a) (17) or section 415 of the federal "Internal Revenue Code of 1986", as amended, including but not limited to all cost-of-living adjustments permitted by such code. No contribution made pursuant to ~~part 4~~ PART 5 of this article or to section 24-51-606 (2) shall cause the benefit to exceed the maximum benefit permitted pursuant to LIMITS IN section ~~415 (b)~~ 415 (n) of the federal "Internal Revenue Code of 1986", as amended, TO BE EXCEEDED.

SECTION 3. Safety clause. The general assembly hereby finds, determines, and declares that this act is necessary for the immediate preservation of the public peace, health, and safety.

Approved: February 19, 1999